

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE DE-AC07-99ID13727	PAGE 1 OF 14 PAGES
2. AMENDMENT/MODIFICATION NO. M135	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO. NOPR	5. PROJECT NO. (If applicable)	
6. ISSUED BY U.S. Department of Energy Idaho Operations Office Site Services Division 1955 Fremont Avenue Idaho Falls, ID 83415-1221		7. ADMINISTERED BY (If other than Item 6) Wendy L. Bauer, Contracting Officer (208) 526-2808		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code) Bechtel BWXT Idaho, LLC 850 Energy Drive, Suite 200 Idaho Falls, ID 83401		9A. AMENDMENT OF SOLICITATION NO.		
		9B. DATED (SEE ITEM 11)		
		10A. MODIFICATION OF CONTRACT/ORDER NO. DE-AC07-99ID13727		
		10B. DATED (SEE ITEM 13) June 1, 1999		
CODE	FACILITY CODE			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS				

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning ____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

N/A

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS;
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

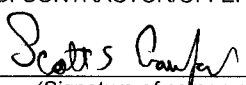
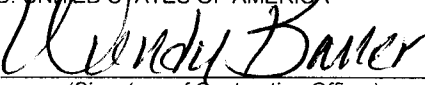
	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority): THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE-NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
X	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: F.5 Option to Extend the Term of the Contract and Mutual Agreement
	D. OTHER (Specify type of modification and authority):

E. IMPORTANT: Contractor ____ is not, **X** is required to sign this document and return **[3]** copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)

The purpose of this modification is to extend the contract for two years, pursuant to clause F.5, Option to Extend the Term of the Contract, beginning May 1, 2006, through April 30, 2008, to perform work necessary to continue meeting the requirements under the Settlement Agreement between DOE and the State of Idaho.

Except as provided herein, all terms and conditions of the document referenced in Items 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) Scott S. Crawford Manager, Prime Contracts		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Wendy L. Bauer Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
BY  (Signature of person authorized to sign)	5/1/06	BY  (Signature of Contracting Officer)	5/1/06

The contract is modified to incorporate AMWTP provisions for the 2-year performance period, May 1, 2006, through April 30, 2008, as indicated below. Except as modified by the terms of this modification, all other provisions and/or clauses in the contract remain unchanged.

1. Section B, provisions B.3 and B.4 are modified for the AMWTP work as follows:

B.3 ESTIMATED COST AND AVAILABLE FEE for AMWTP

The total estimated cost is increased \$238,000,000, from \$150,101,397 to \$388,101,397. The total available fee is increased \$22,000,000, from \$26,650,000 to \$48,650,000.

BBWI shall continue to segregate the cost for the AMWTP work separate from the Idaho Completion Project costs.

B.4 PERFORMANCE BASED INCENTIVES for AMWTP for the 2-year period May 1, 2006, through April 30, 2008.

TOTAL MAXIMUM AVAILABLE FEE POOL – \$22M

**AMWTP FEE INCENTIVE - MEASURE 1 - SHIPPED TRU WASTE TO WIPP
(MAXIMUM AVAILABLE FEE = \$16M)**

Historical Output 6,800m³/year
Desired Output 7,750m³/year = 15,500

Shipped TRU m ³	Cum Fee	Fee per m ³	Note:
10,000	\$4,000,000	\$400	<i>No fee earned for production less than 10,000m³ (see exception in bullet 4)</i>
10,500	\$5,000,000	\$476	
11,000	\$6,000,000	\$545	
11,500	\$7,000,000	\$609	
12,000	\$8,000,000	\$667	
12,500	\$9,000,000	\$720	
13,000	\$10,000,000	\$769	
13,500	\$11,000,000	\$815	
14,000	\$12,250,000	\$875	
14,500	\$13,500,000	\$931	
15,000	\$14,750,000	\$983	
15,500	\$16,000,000	\$1,032	

- BBWI assumes all risks of performance and facility maintenance/repairs required under normal operations and must perform work within \$238,000,000 estimated cost.
- Subject to the availability of funds, it is anticipated FY funding will be provided as follows: FY06 - \$65M*, FY07 - \$125M and FY08 - \$65M. If EM program funding is changed, the Government and the contractor will conduct negotiations to appropriately adjust the estimated cost and total available fee pool. *FY06 funding will be adjusted

based on actuals through April 30, 2006.

- BBWI must comply with the DOE approved WIPP shipping schedule based on the weekly shipping rate averaged over a rolling month.
- BBWI may submit requests for payment of fee for Waste Shipped* in 500m³ increments. If 5,000m³ of TRU waste is shipped to WIPP by December 31, 2006, DOE will provide BBWI a partial earned fee payment of \$2M, less provisional adjustments, if any. Provisional fee will become earned fee upon completion of the minimum 10,000m³ waste shipped. DOE may adjust provisional requests for payment of fee for earned value, safety performance, and performance against the WIPP shipping schedule.
- On April 30, 2008, BBWI must leave a minimum backlog of 700m³ Waste Characterized** and 360m³ Waste Certified***. Failure to leave the minimum backlog will result in a fee adjustment (reduction) of \$1M in earned fee for 14,000m³ shipped; \$750K for 14,500m³ shipped; \$500K for 15,000m³ shipped; and \$250K for 15,500m³ shipped. The backlog quantities are over and above 15,500m³ waste shipped and does not include ICP buried waste (Accelerated Retrieval Project).
- *Waste Shipped is defined as waste that is successfully processed through Real-Time Radiography, and Head Space Gas (lined debris drums or direct Container Transportation Certification Document, if applicable) and is based on approved carriers, and transported beyond the boundaries of the Idaho Site.
- **Waste Characterized is defined as waste that is successfully processed through Real-Time Radiography, Assay, and Head Space Gas (lined debris drums or direct ship drums only), its relevant data validated and verified, and it is compliantly staged and ready for certification or introduction into the treatment facility.
- ***Waste Certified is defined as TRU waste that has been characterized, its relevant data validated and verified, and its information is ready to be entered into and approved in the WWIS Certification Module, as specified in the WIPP Hazardous Waste Permit.

Measure 2 – AMWTP Cost Incentive (Maximum Available Fee - \$6M):

- BBWI must ship 15,500m³ of TRU waste to WIPP and must perform all work within the estimated cost of \$238M to be eligible to earn any cost incentive fee.
- If BBWI generates a positive Cost Performance Index (CPI), they may earn 30% of the cost savings up to \$5M in fee.
- Linear adjustment to this cost incentive will occur for any reduced savings below \$16.7M, but only if bullets 1 and 2 are met. For example, if BBWI generates cost savings of \$10M, then BBWI will earn a cost savings incentive of \$3M (\$10M / \$16.7M * \$5M = \$3M).
- If bullets 1 and 2 are met, BBWI may earn up to an additional \$1M (or 10% of estimated cost savings) in fee utilizing the remaining cost savings (up to \$11.7M or greater) to treat

and dispose AMLLW and MLLW, maximizing the amount of volume disposed as agreed by DOE. For example, if BBWI utilizes cost savings of \$7M, BBWI may earn \$700,000 in fee.

3. **Section C – Section C is modified to add the Statement of Work for the AMWTP for the performance period May 1, 2006, through April 30, 2008, as attached.**

4. **Section F – provisions F.2 and F.5 are modified to read as follows:**

F.2 TERM OF CONTRACT, paragraph 1, is modified as follows:

The term of this contract is from October 1, 1999, through April 30, 2008.

F.5 DEAR 970.5204-74 OPTION TO EXTEND THE TERM OF THE CONTRACT (JUN 1996)

The term of this contract is extended through April 30, 2008. The term extension granted in this modification applies only to the AMWTP Statement of Work described in Section C of this Modification.

5. **Section G – provision G.4 is modified as follows:**

G.4 CONTRACT ADMINISTRATION

The contract will be administered by:

Wendy L. Bauer, Contracting Officer
U. S. Department of Energy
Idaho Operations Office
Site Services Division
1955 Fremont Avenue, MS 1240
Idaho Falls, ID 83415

Telephone: (208) 526-2808
Fax: (208) 526-5548
E-mail: bauerwl@id.doe.gov

Written communication shall make reference to the contract number and shall be mailed to the above address.

6. Section H, provision H.21 is modified to replace the clause as follows:

H.21 WORKFORCE TRANSITION AND HUMAN RESOURCE MANAGEMENT

(a) Labor Relations Issues

The Contractor shall maintain positive labor-management relations. The Contractor shall respect the right of employees to self-organize, to form, join or assist the labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and also to have the right to refrain from any or all of such activities.

Contractors and subcontractors on all tiers who are parties to agreement(s) for construction work performed on the INL, or who are parties to a national labor agreement for such construction work, shall become signatory to the INL Site Stabilization Agreement and the Site Construction Jurisdictional Procedural Agreement. This requirement applies to employees performing work, under contracts or subcontracts administered by DOE-ID, which are subject to the Davis-Bacon Act, and is in addition to and shall not relieve the Contractor of any obligation imposed by other clauses of this contract including the Davis-Bacon Act.

The Contractor shall pay the amounts of wages, fringe benefits, and other employee compensation as set forth in the INL Site Stabilization Agreement, including its Appendix A (and amendments to Appendix A as may be made from time to time).

(b) Advanced Understandings

DOE intends to reach advanced understandings with the Contractor on both personnel costs and related expenses. These understandings, in advance of cost incurrence, avoid subsequent disputes in cost categories where reasonableness or allowability may be difficult to determine. The Contractor shall adopt and implement Section J, Attachment A that covers personnel costs and related expenses. Proposed changes to Section J, Attachment A will require approval of the Contracting Officer. Section J, Attachment A is incorporated into this contract.

7. Section H, provision H.35 is modified to read as follows:

H.35 MULTI-YEAR FEE

1. In order to employ multi-year Performance Incentives, a multi-year fee pool has been established. The intent of the parties is that the entire amount of the fee will be allocated and made available to the Contractor to earn by April 30, 2008.
2. Fee that is unearned by the Contractor as a result of Government cancellation or modification to a Performance Incentive or impacted by events outside the control of the

contractor may be subject to renegotiation. Factors outside the control of the Contractor include the following:

- Failure of the Government to meet listed assumptions or government-furnished property, information, or services as scheduled. This GFS/I will be agreed upon during DOE baseline validation. Basis for claim is if DOE does not supply shipping assets as agreed;
 - Strikes as previously discussed and coordinated with DOE;
 - Acts of God or public enemies;
 - Unusually severe weather floods, or emergencies;
 - Delays by subcontractors that are unforeseen and beyond the control of the subcontractor as described in (3) and (4) above.
3. If waste cannot be shipped under Measure 1 as a result of an event listed above, fee will be considered earned at the rate per m³ as identified in the schedule of Measure 1.
 4. Fee allocated to PBIs, which is unearned due to nonconformance with established PBI objectives shall be forfeited in its entirety and cannot be reallocated to other PBI objectives.
 5. For purposes of clause I.66 (*DEAR 970.5215-3 Conditional Payment of Fee, Profit, or Incentives – Facility Management Contracts - Alternate II (JAN 2004)*) of this contract, the “evaluation period” shall be deemed to be six months in duration, and notwithstanding the terms of clause I.66, the maximum amount of fee reduction per “evaluation period” shall be the total fee earned and paid during the specified period.

The contractor shall use its best efforts to achieve the work scope specifically covered by performance-based incentives (PBI) (i.e. Measures 1 and 2). Notwithstanding subsections (e) and (f) of Clause I.66 of this contract, the exclusive penalty for not completing the PBI shall be limited to the unearned fee associated with that individual incentive provided best efforts have been used. The Contracting Officer may apply other applicable sections of Clause I.66.

8. Section I, Contract Clauses, clause I.66 is modified to replace the clause as follows:

I.66 DEAR 970.5215-3 CONDITIONAL PAYMENT OF FEE, PROFIT, AND OTHER INCENTIVES — FACILITY MANAGEMENT CONTRACTS – ALTERNATE II (JAN 2004)

(a) General.

- (1) The payment of earned fee, fixed fee, profit, or share of cost savings under this contract is dependent upon:

- (i) The contractor's or contractor employees' compliance with the terms and conditions of this contract relating to environment, safety and health (ES&H), which includes worker safety and health (WS&H), including performance under an approved Integrated Safety Management System (ISMS); and
 - (ii) The contractor's or contractor employees' compliance with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information.
 - (2) The ES&H performance requirements of this contract are set forth in its ES&H terms and conditions, including the DOE approved contractor ISMS or similar document. Financial incentives for timely mission accomplishment or cost effectiveness shall never compromise or impede full and effective implementation of the ISMS and full ES&H compliance.
 - (3) The performance requirements of this contract relating to the safeguarding of Restricted Data and other classified information are set forth in the clauses of this contract entitled, "Security" and "Laws, Regulations, and DOE Directives," as well as in other terms and conditions.
 - (4) If the contractor does not meet the performance requirements of this contract relating to ES&H or to the safeguarding of Restricted Data and other classified information during any performance evaluation period established under the contract pursuant to the clause of this contract entitled, "Total Available Fee: Base Fee Amount and Performance Fee Amount," otherwise earned fee, fixed fee, profit or share of cost savings may be unilaterally reduced by the contracting officer.
- (b) Reduction Amount.
- (1) The amount of earned fee, fixed fee, profit, or share of cost savings that may be unilaterally reduced will be determined by the severity of the performance failure pursuant to the degrees specified in paragraphs (c) and (d) of this clause.
 - (2) If a reduction of earned fee, fixed fee, profit, or share of cost savings is warranted, unless mitigating factors apply, such reduction shall not be less than 26% nor greater than 100% of the amount of earned fee, fixed fee, profit, or the contractor's share of cost savings for a first degree performance failure, not less than 11% nor greater than 25% for a second degree performance failure, and up to 10% for a third degree performance failure.
 - (3) In determining the amount of the reduction and the applicability of mitigating factors, the contracting officer must consider the contractor's overall performance in meeting the ES&H or security requirements of the contract. Such consideration must include performance against any site specific performance

criteria/requirements that provide additional definition, guidance for the amount of reduction, or guidance for the applicability of mitigating factors. In all cases, the contracting officer must consider mitigating factors that may warrant a reduction below the applicable range (see 48 CFR 970.1504-1-2). The mitigating factors include, but are not limited to, the following ((v), (vi), (vii) and (viii) apply to ES&H only).

- (i) Degree of control the contractor had over the event or incident.
 - (ii) Efforts the contractor had made to anticipate and mitigate the possibility of the event in advance.
 - (iii) Contractor self-identification and response to the event to mitigate impacts and recurrence.
 - (iv) General status (trend and absolute performance) of: ES&H and compliance in related areas; or of safeguarding Restricted Data and other classified information and compliance in related areas.
 - (v) Contractor demonstration to the contracting officer's satisfaction that the principles of industrial ES&H standards are routinely practiced (e.g., Voluntary Protection Program, ISO 14000).
 - (vi) Event caused by "Good Samaritan" act by the contractor (e.g., offsite emergency response).
 - (vii) Contractor demonstration that a performance measurement system is routinely used to improve and maintain ES&H performance (including effective resource allocation) and to support DOE corporate decision-making (e.g., policy, ES&H programs).
 - (viii) Contractor demonstration that an Operating Experience and Feedback Program is functioning that demonstrably affects continuous improvement in ES&H by use of lessons-learned and best practices inter- and intra-DOE sites.
- (4) (i) The amount of fee, fixed fee, profit, or share of cost savings that is otherwise earned by a contractor during an evaluation period may be reduced in accordance with this clause if it is determined that a performance failure warranting a reduction under this clause occurs within the evaluation period.
- (ii) The amount of reduction under this clause, in combination with any reduction made under any other clause in the contract, shall not exceed the amount of fee, fixed fee, profit, or the contractor's share of cost savings that is otherwise earned during the evaluation period.

- (iii) For the purposes of this clause, earned fee, fixed fee, profit, or share of cost savings for the evaluation period shall mean the amount determined by the contracting officer or fee determination official as otherwise payable based on the contractor's performance during the evaluation period. Where the contract provides for financial incentives that extend beyond a single evaluation period, this amount shall also include: any provisional amounts determined otherwise payable in the evaluation period; and, if provisional payments are not provided for, the allocable amount of any incentive determined otherwise payable at the conclusion of a subsequent evaluation period. The allocable amount shall be the total amount of the earned incentive divided by the number of evaluation periods over which it was earned.
- (iv) The Government will effect the reduction as soon as practicable after the end of the evaluation period in which the performance failure occurs. If the Government is not aware of the failure, it will effect the reduction as soon as practical after becoming aware. For any portion of the reduction requiring an allocation the Government will effect the reduction at the end of the evaluation period in which it determines the total amount earned under the incentive. If at any time a reduction causes the sum of the payments the contractor has received for fee, fixed fee, profit, or share of cost savings to exceed the sum of fee, fixed fee, profit, or share of cost savings the contractor has earned (provisionally or otherwise), the contractor shall immediately return the excess to the Government. (What the contractor "has earned" reflects any reduction made under this or any other clause of the contract.)
- (v) At the end of the contract:
 - (A) The Government will pay the contractor the amount by which the sum of fee, fixed fee, profit, or share of cost savings the contractor has earned exceeds the sum of the payments the contractor has received; or
 - (B) The contractor shall return to the Government the amount by which the sum of the payments the contractor has received exceeds the sum of fee, fixed fee, profit, or share of cost savings the contractor has earned.
(What the contractor "has earned" reflects any reduction made under this or any other clause of the contract.)
- (c) Environment, Safety and Health (ES&H). Performance failures occur if the contractor does not comply with the contract's ES&H terms and conditions, including the DOE approved contractor ISMS. The degrees of performance failure under which reductions of earned or fixed fee, profit, or share of cost savings will be determined are:

- (1) First Degree: Performance failures that are most adverse to ES&H. Failure to develop and obtain required DOE approval of an ISMS is considered first degree. The Government will perform necessary review of the ISMS in a timely manner and will not unreasonably withhold approval of the contractor's ISMS. The following performance failures or performance failures of similar import will be considered first degree.
 - (i) Type A accident (defined in DOE Order 225.1A).
 - (ii) Two Second Degree performance failures during an evaluation period.
- (2) Second Degree: Performance failures that are significantly adverse to ES&H. They include failures to comply with an approved ISMS that result in an actual injury, exposure, or exceedence that occurred or nearly occurred but had minor practical long-term health consequences. They also include breakdowns of the Safety Management System. The following performance failures or performance failures of similar import will be considered second degree:
 - (i) Type B accident (defined in DOE Order 225.1A).
 - (ii) Non-compliance with an approved ISMS that results in a near miss of a Type A or B accident. A near miss is a situation in which an inappropriate action occurs, or a necessary action is omitted, but does not result in an adverse effect.
 - (iii) Failure to mitigate or notify DOE of an imminent danger situation after discovery, where such notification is a requirement of the contract.
- (3) Third Degree: Performance failures that reflect a lack of focus on improving ES&H. They include failures to comply with an approved ISMS that result in potential breakdown of the System. The following performance failures or performance failures of similar import will be considered third degree:
 - (i) Failure to implement effective corrective actions to address deficiencies/non-compliances documented through: external (e.g., Federal) oversight and/or reported per DOE Order 232.1A requirements; or internal oversight of DOE Order 440.1A requirements.
 - (ii) Multiple similar non-compliances identified by external (e.g., Federal) oversight that in aggregate indicate a significant programmatic breakdown.
 - (iii) Non-compliances that either have, or may have, significant negative impacts to the worker, the public, or the environment or that indicate a significant programmatic breakdown.

- (iv) Failure to notify DOE upon discovery of events or conditions where notification is required by the terms and conditions of the contract.

(d) Safeguarding Restricted Data and Other Classified Information. Performance failures occur if the contractor does not comply with the terms and conditions of this contract relating to the safeguarding of Restricted Data and other classified information. The degrees of performance failure under which reductions of fee, profit, or share of cost savings will be determined are as follows:

(1) First Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have resulted in, or that can reasonably be expected to result in, exceptionally grave damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered first degree:

- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating a risk of, loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a Special Access Program (SAP), information identified as sensitive compartmented information (SCI), or high risk nuclear weapons-related data.
- (ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
- (iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data, or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.
- (iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Top Secret Restricted Data or other information classified as Top Secret, any classification level of information in a SAP, information identified as SCI, or high risk nuclear weapons-related data.

(2) Second Degree: Performance failures that have been determined, in accordance with applicable law, DOE regulation, or directive, to have actually resulted in, or that can reasonably be expected to result in, serious damage to the national security. The following are examples of performance failures or performance failures of similar import that will be considered second degree:

- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Secret Restricted Data or other information classified as Secret.
 - (ii) Contractor actions that result in a breakdown of the safeguards and security management system that can reasonably be expected to result in the loss, compromise, or unauthorized disclosure of Secret Restricted Data, or other information classified as Secret.
 - (iii) Failure to promptly report the loss, compromise, or unauthorized disclosure of Restricted Data or other classified information regardless of classification (except for information covered by paragraph (d)(1)(iii) of this clause).
 - (iv) Failure to timely implement corrective actions stemming from the loss, compromise, or unauthorized disclosure of Secret Restricted Data or other classified information classified as Secret.
- (3) Third Degree: Performance failures that have been determined, in accordance with applicable law, regulation, or DOE directive, to have actually resulted in, or that can reasonably be expected to result in, undue risk to the common defense and security. In addition, this category includes performance failures that result from a lack of contractor management and/or employee attention to the proper safeguarding of Restricted Data and other classified information. These performance failures may be indicators of future, more severe performance failures and/or conditions, and if identified and corrected early would prevent serious incidents. The following are examples of performance failures or performance failures of similar import that will be considered third degree:
- (i) Non-compliance with applicable laws, regulations, and DOE directives actually resulting in, or creating risk of, loss, compromise, or unauthorized disclosure of Restricted Data or other information classified as Confidential.
 - (ii) Failure to promptly report alleged or suspected violations of laws, regulations, or directives pertaining to the safeguarding of Restricted Data or other classified information.
 - (iii) Failure to identify or timely execute corrective actions to mitigate or eliminate identified vulnerabilities and reduce residual risk relating to the protection of Restricted Data or other classified information in accordance with the contractor's Safeguards and Security Plan or other security plan, as applicable.
 - (iv) Contractor actions that result in performance failures which unto themselves pose minor risk, but when viewed in the aggregate indicate degradation in

the integrity of the contractor's safeguards and security management system relating to the protection of Restricted Data and other classified information.

- (i) Degree of control the contractor had over the event or incident.
- (e) Minimum requirements for specified level of performance.
- (1) At a minimum the contractor must perform the following:
 - (i) The requirements with specific incentives which do not require the achievement of cost efficiencies in order to be performed at the level of performance set forth in the Statement of Work, Work Authorization Directive, or similar document unless an otherwise minimum level of performance has been established in the specific incentive;
 - (ii) All of the performance requirements directly related to requirements specifically incentivized which do not require the achievement of cost efficiencies in order to be performed at a level of performance such that the overall performance of these related requirements is at an acceptable level; and
 - (iii) All other requirements at a level of performance such that the total performance of the contract is not jeopardized.
 - (2) The evaluation of the Contractor's achievement of the level of performance shall be unilaterally determined by the Government. To the extent that the Contractor fails to achieve the minimum performance levels specified in the Statement of Work, Work Authorization Directive, or similar document, during the performance evaluation period, the DOE Operations/Field Office Manager, or designee, may reduce any otherwise earned fee, fixed fee, profit, or shared net savings for the performance evaluation period. Such reduction shall not result in the total of earned fee, fixed fee, profit, or shared net savings being less than 25% of the total available fee amount. Such 25% shall include base fee, if any.
- (f) Minimum requirements for cost performance.
- (1) Requirements incentivized by other than cost incentives must be performed within their specified cost constraint and must not adversely impact the costs of performing unrelated activities.
 - (2) The performance of requirements with a specific cost incentive must not adversely impact the costs of performing unrelated requirements.
 - (3) The contractor's performance within the stipulated cost performance levels for the performance evaluation period shall be determined by the Government. To the extent the contractor fails to achieve the stipulated cost performance levels, the

DOE Operations/Field Office Manager, or designee, may reduce in whole or in part any otherwise earned fee, fixed fee, profit, or shared net savings for the performance evaluation period. Such reduction shall not result in the total of earned fee, fixed fee, profit or shared net savings being less than 25% of the total available fee amount. Such 25% shall include base fee, if any.

- 9. Section J – Attachment A, is modified as attached, and Schedule A-1 is modified as follows:**

SCHEDULE A-1

LIST OF AMWTP KEY PERSONNEL

KEY POSITION	NAME
President/General Manager	RUSSO, Frank M.
Quality Assurance	FALLON, Thomas F.
VP Plant Manager	RAISH, Scott C.
Waste Programs Manager	MOUSSEAU, Jeffery D.
Security, Safety & Health Manager	SYGITOWICZ, Leonard S.

- 10. Section J, Attachment G, List of Applicable Directives (List B), is added as attached.**